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Avoiding the Delusions of Today's Capitalism with a Thorough Understanding of Marxism as the Key

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ABSTRACT

Between the early 1970s, when neoliberalism was in full swing and became the dominant rhetoric of the time, and the 2008 global economic crisis, capitalism as a result of its inherent nature entered a fundamental crisis with unavoidable consequences. Many in-depth analyses of the economic crisis from a Marxist viewpoint have revealed that in the area of wealth appropriation, capitalism has now exacerbated inequality to absurd levels. This is not to mention other challenging issues such as the parasitic nature of increasingly digitized finance capital, uncontrolled inflation leading to rampant financial deficits, the worsening ecological crisis with mounting environmental costs that erode profits, escalating political manipulation by monopoly capitalists, and the mounting by developed countries of inappropriate military interventions in the developing world, to name just a few. Today, the fundamental characteristics and specific manifestations of contemporary capitalism are exerting significant impacts on the process of building socialism worldwide. Faced with today's capitalism, China and Vietnam while exercising due caution must put forward and consistently highlight the need to examine the direction the system is taking. Thorough research on this subject is critical for a correct scientific understanding.

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In today's world, economic globalization and neoliberalism are ideal partners, always working in tandem to dominate and govern the entire global system. Moreover, the processes of globalization, financialization and neoliberalism have become the "three forces" controlling the entire global workforce, as well as the developing countries that encircle the developed capitalist countries. This has further deepened the contradiction between surplus value production and realization on a worldwide scale, continually provoking new instabilities in an intrinsically unstable world system.

1. The Trend of Economic Globalization, the Rise of "Anti-Globalization" Sentiment and the "Deglobalization" Wave

As we see in this day and age, a globalized world has emerged since the mid-nineteenth century, the period that witnessed the rise of movements that encouraged the proliferation of capitalism and contributed directly to the formation of the

world market. This process was observed by Karl Marx, who employed rational philosophical thinking in developing his perception of the relationship between “space” and “time.” Analyzing capitalism’s past and continuing development trends, Marx pointed out forthrightly:

[W]hile capital must strive on the one hand to tear down every local barrier to traffic, i.e., to exchange, and to conquer the whole world as its market, it strives on the other hand to annihilate space by means of time, i.e., to reduce to a minimum the time required for the movement [of products] from one place to another. The more capital has been developed, and the greater therefore the expansion of the market in which it circulates, which constitutes the spatial path of its circulation, the more it goes on to strive for an even greater spatial expansion of the market and for a more complete annihilation of space by means of time. (Marx 2010a, 463)

In the same writings, Marx noted: “[T]he tendency to create the *world market* is inherent directly in the concept of capital itself. Every limit appears as a barrier to be overcome.” (Marx 2010a, 335; italics in the original) In the *Manifesto of the Communist Party*, he and Engels observed:

The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. . . . In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. (Marx and Engels 2010, 488)

This demonstrates that the historical evolution of capitalism has always been accompanied by an expansion of space and a shortening of time. The continuous expansion of capitalism in terms of space and the shortening of the time required for capitalist economies to develop have made large contributions to the establishment of the capitalist world-economy, also known as the modern world economic system. Due to the disparate status and position of each country in the process of capital accumulation and in the course of capitalist economic development, complex economic relationships have been formed between developed countries and between developed and developing countries. The overlapping of these relationships has resulted in the evolution of the capitalist world system into various new forms and structures.

The above clarification by Marx of capitalism’s nature and functioning indicates that not just in the nineteenth century, but now as well, economic globalization has acted as a “double-edged sword,” resulting in a wide range of poverty-related phenomena even while greatly boosting global economic development:

The economic downturn has exposed the evil truth about social injustices in capitalist societies: the living standards of the majority of the working population have decreased to a remarkable extent, the rate of unemployment has seen constant rises, and the gap between rich and poor has widened, further exacerbating existing conflicts and disputes between ethnic groups. (Nguyen 2021, 5)

These consequences are not limited to the annexation of less developed countries; they also result in polarization among the developed countries themselves. The outcome has inevitably been to promote a surge of “*anti-globalization*” sentiment in underdeveloped countries and a movement towards “*deglobalization*” in developed capitalist countries.

As an unavoidable trend, the process of globalization began with the annexation of developing countries by developed nations. Typically, anti-globalization sentiment manifested itself initially through trade wars, before later spreading to global socio-political issues. This is not a recent trend, but has in fact developed over centuries. Assessing the development trends of capitalism, which has become more and more globalized, V. I. Lenin, early in the twentieth century, emphasized in line with the Marxist perspective:

That is how the plunder of about a thousand million of the earth's population by a handful of Great Powers is organised in the epoch of the highest development of capitalism. No other organisation is possible under capitalism. Renounce colonies, "spheres of influence," and the export of capital? To think that it is possible means coming down to the level of some snivelling parson who every Sunday preaches to the rich on the lofty principles of Christianity and advises them to give the poor, well, if not millions, at least several hundred rubles yearly. (Lenin 1974a, 341)

From the point of view of the Marxist classics, it can be seen that the development of economic globalization today is characterized by the following specific features:

First, since the 2008 world economic crisis anti-globalization sentiments have erupted on four prominent fronts: free trade, immigration, ideology, and global governance. Meanwhile, the opponents of globalization have multiplied to encompass not only the poorest members of society, but also other political groups and even political elites. As mentioned earlier, the growing polarization between rich and poor, the enormous pressures placed on traditional capitalist countries as a result of the concurrent rise of emerging economies, and the problems of refugees and terrorism are the primary reasons behind the emergence of the anti-globalization wave. Thus, economic globalization, as a result of the expansion of global financial capital, has fostered the growth of the productive forces of society while exacerbating the fundamental tensions and contradictions, such as exploitation and inequality between rich and poor, that are inherent in capitalist society.

However, the consequences of globalization are not restricted to the rise of anti-globalization sentiment, which is a manifestation of the rivalry between less developed and more developed capitalist countries. The globalization process has also resulted in a tendency for developed capitalist countries to seek solutions to the problems that globalization itself has brought forth. In the context of the economic downturn and of rising competition from emerging economies, the developed capitalist countries and most notably the United States are looking for ways to increase state intervention to protect trade, restrict immigration, and promote manufacturing repatriation or reshoring. This is a defining feature of the "deglobalization" process. Additionally, it demonstrates a sense of impotence brought about by the crisis of national governance under capitalism, exemplified by countries' recent failure to effectively contain the present Covid-19 outbreak. This is a further factor adding to the instability of the already precarious global economic system.

It can be seen that the anti-globalization sentiment and the deglobalization trend are essentially the same product of the contradictions between countries, as well as of the class conflicts that have developed inside each country as a result of globalization. The backlash against globalization can therefore be said to have heightened the impacts of

the deglobalization trend, and to have further weakened the position of financial monopoly capital in the capitalist powers that are driving economic globalization. It is in the context of national governance crises that capitalist countries find drastic ways to externalize domestic conflicts, transferring them outside the national borders and in the process, further deepening the contradictions of capitalism. This is a prominent historical trend in the decline of capitalism that has led inevitably to the reversal of globalization in capitalist countries, most visibly manifested in the deglobalization movement.

To mitigate the damage inflicted by the anti-globalization movement, and to slow the deterioration of capitalism caused by financial and national governance crises, Western countries led by the United States have pursued protectionist strategies aimed at promoting the establishment of a new world order that can safeguard their own interests. Up to a certain point, globalization provides an effective means for developed Western countries to deal with an excess accumulation of finance capital, opening new areas for the creation of a surplus. Ultimately, however, this is unsustainable; once the level of investment poured into developing countries exceeds the capacity of the recipients to absorb it, the returns on the capital provided by Western countries will decline further. At the same time, if the level of capital accumulation in Western countries increases, this will likely lead to a serious imbalance between the real economy and the fictitious economy. In such circumstances, Western countries in order to curb the crisis have employed all kinds of measures to reduce anti-globalization sentiment, even seeking to halt the rise of racism and populism in politics and to lessen the adoption of protectionism in the economic domain. Meanwhile, they also seek to reduce class conflict within each country and to promote economic growth. Given the acceleration of the current wave of globalization (which is primarily driven by developed economies), the imbalance in the distribution of globalization dividends among countries, and the turbulence in global governance, the current situation will inevitably result in a cyclical crisis of the world economy. Moreover, in light of the expanded international division of labor, economic globalization appears to be creating more benefits for developing economies in terms of dividend distribution. Nevertheless, the internal imbalance in national distribution is growing more pronounced, as the global economic imbalance continues to act as a substantial impediment to the development of capitalism.

A second critical issue revolves around the possibility of economic globalization being reversed. If the process of economic deglobalization is analyzed in depth, using a Marxist classification of the theories on economic globalization, it becomes clear that lying behind both economic globalization and deglobalization are a variety of strategies that capitalists use to defend themselves. The driver of globalization is the regional and global “paradox of space,” which underlies both transnational surplus value production and economic globalization. In the long run, with the increasing socialization of production and the establishment of global value chains, the trend towards economic globalization is unlikely in practice to be reversed. Economic globalization is not by nature the source of poverty, stagnant growth, and high unemployment; rather, the origins of these phenomena lie in the rules of the economic globalization game, whose constant thrust is towards safeguarding capitalist interests. Taking their lead from Marx’s theory of the world market, scholars have highlighted all the possible adverse effects of adopting a one-way assessment of the current trends of globalization. Economic globalization is an unavoidable outcome of the development of the productive forces and of international economic

exchange. The problem, in reality, is the rules of a game dominated by capitalist countries and pursued for the purpose of promoting free trade and allowing the capitalists to exert class dominance.

Third, analyses of how to deal with the deglobalization trend have revealed that globalization is an inexorable choice if expansion of the global economy is to continue. Due to its complicated and multidimensional nature, however, this process always encompasses potential contradictions, and is full of uncertainty and ambiguity. For that reason, deglobalization is viewed as a byproduct of the financial crisis, an outcome of capitalist globalization as it enters a new phase, and as an orchestrated response to the conflicts and problems that have arisen in the course of the globalization process. The duality of globalization is also reflected in the fact that it does not lead to a crisis, but on the contrary, originates from economic distress and drastically unequal distribution. Therefore, the rich-poor gap has become a recurring issue in the globalization process, ultimately leading to both the anti-globalization and deglobalization trends.

2. Capitalism in the Neoliberal Era: The Characteristics of Financialization in the Digital Age

In the assessments of many Western scholars, such as Kotz (2008), Crotty (2000), Duménil and Lévy (2012), the period in the development of capitalism since the 1970s has been that of neoliberalism. More specifically, David M. Kotz has pointed out that American capitalism in the era of neoliberalism exhibits features that have sown the seeds of a systemic crisis (Kotz 2008). According to the American scholar John Bellamy Foster, the capitalist economic crisis of the 1970s brought state monopoly capitalism into a new phase in which finance capitalism underwent rapid growth to become “monopoly-finance capital” (Foster 2010). It is obvious that the development of capitalism has resulted in the emergence of today’s international monopoly-finance capital. This again shows neoliberalism to be one of the process’s theoretical foundations, with the “Washington Consensus”¹ as its complete form (Nguyen 2017).

As indicated previously, from a macro perspective the share of the financial industry in total profits has increased significantly during the current era of capitalism, and has even surpassed that of industrial capital. Finance capital-related activities dominate general economic activities, thus relegating international trade in goods and services to a lower level. This suggests that at the macro level finance capital has increasingly consolidated its monopolistic position. After World War II and until the 2008 financial crisis, the ratio of financial assets relative to GDP in the US displayed a general upward trend. Between 1952 and 1979, its average growth rate was 0.257 before increasing rapidly to 0.418 from 1980 to 2007. At the same time, the profits of the US financial industry tended to account for a larger share in total domestic profits, rising from less than 20% in the early 1980s to roughly 30% in the late 1990s, and reaching 45% in 2002 before declining to 30.56% in 2006, prior to the financial crisis. During the same period, the average share of profits from non-financial sectors, including the manufacturing, transportation and information industries, at one point plummeted to below 54% (United States Government Printing Office 2009).

It can be seen that as capitalism has evolved, the financialized form of the system has emerged as the culminating mode of capitalist ownership. Only through this

transmutation can capital rid itself completely of the common constraints of material forms, achieve the greatest possible autonomy and flexibility, and fully express its character as the pursuit of maximum value creation. As Marx pointed out,

The relations of capital assume their most external and most fetishlike form in interest-bearing capital. . . . In interest-bearing capital. . . this automatic fetish, self-expanding value, money generating money, is brought out in its pure state and in this form it no longer bears the birthmarks of its origin. (Marx 2010b, 388–389)

Early in the twentieth century, V. I. Lenin incorporated Marx's perspective in his theoretical work in order to emphasize the fundamental laws of finance capitalism:

Imperialism, or the domination of finance capital, is that highest stage of capitalism in which this separation reaches vast proportions. The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy; it means that a small number of financially "powerful" states stand out among all the rest. (Lenin 1974b, 238–239)

The increasing financialization of the contemporary capitalist economy once again proves the scientific nature of the evaluations put forward in the Marxist classics. In the same sense, capitalism today, especially American capitalism, has shown more clearly the characteristics of monopoly-finance capitalism. In particular, along with the development of the Third Industrial Revolution and the current Fourth Industrial Revolution, digitized finance capitalism is strongly supported by the advance of information technology and the acceleration of digitization, which motivate it to continuously demonstrate its imperialist nature.

As mentioned above, numerous studies of the stages of development of capitalism have agreed that for the present, modern capitalist society is still at the stage of monopoly capitalism, and that its nature in recent times has remained relatively unchanged. Along with the evolution of society and the continuous development of the forces of production, however, there has been a commensurate transformation of the relations of production and of the superstructure of capitalism. This process displays the following key characteristics.

First, the development of monopoly capital still plays an important role in the evolution of capitalism. The current international situation, it may be argued, is not fundamentally different from the one that Lenin outlined as capitalism gave birth to imperialism around the turn of the twentieth century. The concept of imperialism therefore remains valid; monopoly capitalism still figures as a normative mainstream discourse in the contemporary world, and the concept of imperialism remains a useful instrument for elucidating the nature of exploitation, private appropriation, class struggle and social revolution. Today's world is still largely driven by monopoly capitalism, and if there is a difference, it is only this: the methods of exploitation that monopoly capitalism employs are veiled more subtly, making its actions more difficult to forecast and evaluate. Since the late nineteenth century, monopoly has always been a fundamental feature of capitalism, and the only particularly novel feature of today's capitalism is that through the mechanisms of the digital age, the system has completed its transition from national to international monopoly. Up to this point, therefore, there has in essence been no such thing as "neoliberal" capitalism; rather, the monopolistic nature of capitalism has become intensified. Moreover, as political entities gain greater control over the global economy,

monopoly capital is no longer following the same path, but is instead heading in the direction of exacerbating the economic, political and social crises of today's global capitalism.

Second, capitalist hegemony and exploitation are becoming increasingly diversified, and more carefully disguised. While the forces of production have continued to develop, and science and technology have made extraordinary advances, capitalist exploitation and the system's extraction of surplus value have been concealed using more and more elaborate, multifaceted methods. As can be observed, the degree of financialization of the economy is constantly increasing, and financialization has gradually become the primary tool for enforcing capitalist hegemony and exploitation. It is significant that financiers were largely unaffected by the financial crisis. The old and new liberalism coexist and still prevail. On the basis of the power of digitized financialization, capitalism also exhibits new traits that reveal the politicization of finance, and that lead to a democracy that amounts to little apart from a flashy cover. Meanwhile, military powers continue to upgrade their forces and are always ready to mount operations anywhere, anytime and for any purpose apart from achieving real military objectives. Since the 1970s, when Western countries entered the stage of international monopoly capitalism, their actual economic performance has implied that the expansion of global economic linkages has created endogenous drivers for the financialization of the global economy. However, it is the excessive financialization of Western countries that has prompted deindustrialization, involving a gradual decline in industrial activity and figuring as the main cause of serial job loss, hunger and poverty among the workers. At the same time, production in the industrial economy has been stagnant. Research focused on the transformative mechanisms of financialization and their impact in changing capitalist society, and based on Marx's critique of political economy, have concluded that the conscious form of neoliberalism, along with capital export policy, has affirmed the need of finance capital for the expansion and appropriation of international surplus value. As previously stated, the fictitious operations of today's finance capital have steadily shifted capitalism towards digitization, thus leading to the emergence of deindustrialization, industrial hollowing-out and economic bubbles. These phenomena are expected to eventually push capitalism into an inevitable economic, political and financial crisis.

Third, it can be seen that under the impact of the Third Industrial Revolution and the current Fourth Industrial Revolution, and aided by the strong development of the Internet and information technology as well as by the introduction of digital currencies (for example, Bitcoin), capitalist exploitation has become even more destructive. Thrown into relief by the main principles of Marx's labor theory of value, this trend may be observed alongside the development of the "digital economy," the birth of "digital labor," and the evolution of "digital exchange," "digital distribution" and "digital consumption." Since the digital economy is built on a network-based system, Big Data and cloud computing (iCloud) have become effective tools in the current era for exploiting the endless resource represented by "unpaid" digital workers, as well as for promoting the production of "digital goods" that embody extra surplus value. This also means that the labor time and labor intensity are increasing at a consistent rate. It is the "disappearance" of wages, the increased intensity of labor and the lack of restrictions on the age of workers that bring about significant increases in the production of absolute or relative surplus value compared to previous levels. The dominance exercised over digital labor by the logic

of capitalist exploitation has increased not only the level of capitalist exploitation, but also its hegemony in terms of morphological consciousness. However, we cannot ignore the fact that US economic hegemony has come under drastic challenge as the global economic structure has undergone extensive changes, with emerging economies demonstrating a remarkable rise in prosperity. When attempting to reclaim its position following the recent international financial crisis, the US intends to rely on military power to maintain its economic hegemony and morphological consciousness—it can be said to have embarked on a path of “Military Keynesianism.”² Keynesianism is a school of thought in Western macroeconomics that is often associated with government interventions that attempt to boost economic growth through increases to fiscal spending, while “Military Keynesianism” refers primarily to the idea that increasing the amount of military outlays in national financial expenditure will have no adverse effect on the development of the national economy but will actually help it grow. The greater the military spending, this doctrine maintains, the faster GDP growth will become. During the last part of the twentieth century, US statistics indicate, the share of US government spending that went to defense declined steadily from 36% in 1985 to 21% in 2000. In the new century, however, this figure has gradually increased year by year, reaching 27% in 2010 (United States Government Printing Office 2011). As indicated earlier, “Military Keynesianism” seeks any excuse for the US government to employ its military muscle, so as to win profits for arms manufacturers and drain the resources of less developed countries.

Fourth, the contradictions of capitalism in recent times have become more and more profound. Through the support it lends to the financialization of capitalism, monopoly capitalism has infiltrated all spheres of activity, not just economic and social ones, but including political life. Moreover, it has managed to keep a tight grip, in every conceivable way, on resources and surplus value. Globalization, financialization and neoliberalism, the three pincers that control the global workforce, have activated and further intensified the contradictions between the production and realization of surplus value on a global scale.

Regarding the relationship between capital and labor, the dispersion of production activities enables transnational companies to choose and hire labor power across the globe, in effect creating a world reserve army of labor. The expanding “spatialization” of production, which allows the capitalist to employ appropriate measures to control the “movement of production,” also aims to strengthen effective control over labor resources. This further complicates the task of striking a balance or reaching a compromise between capital and labor.

As far as the relationship between capital and capital is concerned, transnational companies try to make use of their monopoly advantage in setting the rules of globalization and determining its core components so as to dominate global production and supply chains. Through international bidding, they rely on capital linkages to control a large number of small and medium enterprises, thereby squeezing the stock of capital and acquiring enterprises on a global scale.

With regard to the relationship between capital and the state, transnational companies often employ the method of “persuading” governments to advocate for the establishment of preferential policies that favor domestic and international capital and investment flows. This has led to a deterioration of government protection for social welfare and labor rights, and in particular, to a weakening of the economic control exerted by

governments within the global economic order. In addition, the bourgeoisie has influenced the public to consume products that are conducive to capital growth rather than products that can improve people's livelihood. When the expansion of capitalist markets reaches a saturation point following the financialization of capital, countries will find themselves on the brink of crisis. Along with the evolution of capitalism and the progress of science and technology, these phenomena are also leading to an increased atomization of the working class, undermining the workers' movement and weakening their revolutionary consciousness and resistance to the influence of bourgeois ideologues. Still more dangerous is the fact that this situation has brought an increase in the misconceptions and fallacies entertained by working-class political parties worldwide regarding the realities of capitalism today. The effect has been to hinder the rise of revolutionary movements of the working class in developed capitalist countries.

Seeking to lessen the negative consequences of the international financialization of capitalism during the era of neoliberalism, the leading Chinese scholar Professor Enfu Cheng concluded in the midst of the 2008 global economic and financial crisis that the fundamental way out of the crisis was not to abandon neoliberalism in favor of Keynesian policies and institutions, but rather, to adopt policies and institutions developed from modern Marxist economics. To put it another way, finding solutions requires substituting scientific socialist market economic institutions for the obsolete, outdated, flawed, and ineffective policies and institutions of capitalist market economics (Cheng and Tan 2011).

Fifth, a series of theories have been proposed in order to define the nature of capitalism at the height of neoliberalism, most notably the theory of new imperialism or neo-imperialism. This is the result of research conducted by Professor Enfu Cheng since the mid-1990s. Since the inception of this research, Professor Cheng has offered various novel insights on the two key attributes of economic globalization, on major contemporary economic contradictions, and on specific contradictions related to the economic and monetary crisis as well as to the financialization of the contemporary capitalist economy. In particular, Professor Cheng most original and intriguing findings relate to the five major features of twenty-first-century imperialism. His concepts in this case were constructed and generalized on the basis of Lenin's theoretical work *Imperialism, the Highest Stage of Capitalism*. In his work, Cheng presented the following arguments: (1) The internationalization of production and circulation, together with the intensified concentration of capital, have facilitated the formation of powerful multinational monopoly corporations that can manipulate and distort the market; (2) The manipulative monopoly of finance capital plays a decisive role in global economic life, shaping economic financialization in a distorted and malformed way; (3) The hegemony of the dollar and the manipulation of intellectual property rights have resulted in an unequal international division of labor and unfair distribution of wealth on a global scale; as a result, the global economy is polarized into two groups: the rich and the poor; (4) The international monopoly alliance of oligarchic capitalism, which is created by the hegemonic United States of America and several other great powers, has led to the formation of a profit-seeking and money-based political economy, to military alliances, and to a vulgar culture of capitalist exploitation and oppression; (5) The globalized contradictions of capitalism, accompanied by various kinds of systemic threats, are growing more intense and are giving rise to a new state of contemporary capitalism that is characterized by higher degrees

of monopoly hegemonism and parasitism, as well as by corrupt, fraudulent and predatory behavior. Capitalism today is a moribund system, its existence obviously transient (Cheng 2018).

According to Professor Cheng's interpretation, neo-imperialism is a stage of capitalism that has evolved from free competition, manipulative private monopoly and national monopoly, and that has since developed into a new stage of international monopoly. Given the rise of the forces of international justice and the rocky development of international class struggles in the current period, it is possible to predict that the twenty-first century will be the era in which neo-imperialism establishes itself as the dominant regime, the era in which the global working class carries out significant feats of revolution and social construction, and the era in which capitalism and neo-imperialism will steadily give way to socialism.

3. The Unwavering Commitment of China and Vietnam to Socialism in the Current Context of International Monopoly-Finance Capitalism

One of the driving forces behind China's commitment to socialism is presented by Enfu Cheng in his proposition of "the high efficiency of public ownership" (Cheng 2018). In contrast to the false but widely propagated "highly efficient private property regime" theory (praising private ownership) or the "tragedy of public assets" theory (criticizing public ownership), both of which have been developed in the West on the basis of numerous logical fallacies, Professor Cheng has derived a sound academic judgment from his research on Marxism as well as his practical research on domestic and international developments. Whether through analysis conducted from a macro perspective and covering the whole society or research work adopting a micro perspective and examining individual enterprises, the public or common ownership regime generally emerges as more efficient than private ownership. Since Professor Cheng published his idea of "high efficiency of public ownership," many other research works have reached broadly similar conclusions. This generalized viewpoint is drawn from Marxist economics and refers to the notion that public ownership of the means of production, based on shared proprietorship by all community members, can be expected to attain optimum social efficiency under a planned economy. The idea of the high efficiency of public ownership, meanwhile, is built on the economic theory of socialism with Chinese characteristics, which holds that collective ownership, involving ownership of the means of production by the entire people, can achieve maximum social efficiency under market economic conditions. The proposition of the high efficiency of public ownership, however, rests on numerous complex premises, such as an absence of serious corruption, a reasonable and justifiable delegation of authority and responsibility to the two representative forces of society, the fulfillment by enterprises of their social responsibilities in addition to the normal obligations that they are required to report for accounting purposes, the construction of a sound and well-functioning system of State management operations and government policies, and the recruitment of highly-qualified and skillful entrepreneurs and employees (Cheng 1997; Cheng, Fang, and Zheng 2012). Hence, only by concurrently achieving all the above-mentioned preconditions can the regime of socialist public ownership paired with a planned economy or a market economy achieve maximum efficiency.

Even if the assumption is true that socialist public ownership either in the past or in the present may nonetheless suffer from low efficiency despite all the above preconditions being met, this does not mean that a regime of public ownership, operating under either a planned or market economy, is not a worthwhile option. Professor Enfu Cheng thus pointed out that according to his theory, the ownership regime in the early stages of socialism needs to be constructed in such a way that public ownership is the mainstay and state ownership plays a dominant role, while many other forms of ownership are developed concurrently without being completely privatized or nationalized. If this stipulation is not observed, then once the share of the national economy represented by the privately-owned sector exceeds the allowable limit, the influence of private capital accumulation will inevitably result in a series of negative economic effects such as rising unemployment, serious wealth and income disparities, and stagnant economic growth and development. Eventually, a discordant and inharmonious society will emerge. It is noticeable that the fundamental contradictions in the world economy today include the contradictions between progressively socialized and globalized economies; between private ownership, collective ownership and state ownership of the factors of production; and between the strong or weak status of governments and the competent or incompetent organization of national and global economies. The fundamental economic contradictions stemming from these specific conditions have instigated financial crises, credit crises, currency crises and economic crises. As can be shown, the main economic regime implemented in the early stage of socialism can be combined organically with the market economy system. The key theoretical basis of this combination is the “high efficiency of public ownership.”

In Vietnam, for the Communist Party of Vietnam to pursue socialism in the current context, and eventually to achieve its fundamental goals of successfully establishing socialism in the country and helping it to quickly become a socialist nation with “a rich people, a strong country, democracy, justice, and civilization” (Communist Party of Vietnam 2021, 105), requires it to show wisdom and a proper caution in assessing the world context at each stage of the revolution. Today, confronted by a world still largely dominated by capitalism,

we have to embrace a fact, that is, the “free market” of capitalism cannot help to solve all the problems on its own; in many cases, it even causes serious harm to poor countries and deepens the conflict between global labor and capital. This reality also rejects and calls into question economic theories and growth models that have long been considered fashionable, lauded by many bourgeois politicians, and deemed optimal and rationally justifiable by their experts. (Nguyen 2021, 5)

About a decade ago, when assessing the international context in the Platform for National Construction and Development in the Period of Transition to Socialism (supplemented and further elaborated in 2011), the Communist Party of Vietnam made an accurate judgment:

Currently, capitalism still has the potential to develop and thrive, but basically, it remains an oppressive, exploitative and unjust regime. The underlying fundamental contradictions of capitalism, most notably the contradiction between the increasingly socialized nature of the productive forces and the capitalist private appropriation regime, are not only unresolvable but also further intensified. (Communist Party of Vietnam 2011, 68)

Faced with this difficult global context, the Communist Party of Vietnam promptly issued a guiding direction: “Actively participate in addressing global challenges . . . contributes to building a just, fair and democratic international political and economic order” (Communist Party of Vietnam 2004, 121). Further, the party called for “fighting against the unreasonable oppression of economic powers and transnational companies” (Communist Party of Vietnam 2004, 158). Today, this international context affects every country profoundly, and Vietnam is no exception. A correct perception of this situation can serve as the premise for defining the country’s development orientations and growth prospects. Initially, it will help us lay the foundations for promoting economic development and maintaining political stability, as well as for mounting a firm defense of the achievements registered during the process of constructing socialism. This profound strategic vision of the Communist Party of Vietnam is becoming more and more meaningful, serving as an important basis for setting out national development orientations and establishing the country’s position in the international arena. Within the current world context, this strategic vision is helping Vietnam transform itself quickly into a prosperous and sustainably developed socialist country.

Taking into account the general practice of building socialism throughout the world, and given the particular experiences of different socialist countries including China and Vietnam through various stages of history, it can be once again affirmed that in addition to achieving a profound understanding of socialism’s Marxist principles and creatively applying them in accordance with the specific practical situation of each country, it is also imperative to gain a deeper knowledge of the principles of modern Marxism and of the perspectives of genuine contemporary Marxists. This can implant a firm conviction of the inescapable decay of capitalism despite the system’s diverse manifestations. In this way, communists can acquire the essential basis for taking a firm stance against the fallacies of capitalism, and for avoiding delusions about the nature of the global capitalist regime. They can thus cement their belief in the inevitable victory of socialism in the coming decades.

Notes

1. The Washington Consensus is a term that emerged in the early 1990s to describe a set of ten different economic policy prescriptions, considered to constitute the “standard” reform package, which Washington-based institutions, such as the International Monetary Fund (IMF), the World Bank and the United States Department of the Treasury, promoted for crisis-wracked developing countries.
2. The term “Military Keynesianism” was first coined by the Polish economist Michał Kalecki in 1943 to explain the economic achievements of Nazi Germany during the Great Depression.

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